

Message Text

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PAGE 01 STATE 154643
ORIGIN COME-00

INFO OCT-01 EUR-12 IO-13 ISO-00 STR-07 EB-08 TRSE-00
AGR-05 CIAE-00 INR-10 LAB-04 NSAE-00 SP-02 FRB-03
OMB-01 L-03 /069 R

DRAFTED BY COMMERCE:VLEWIS:HM
APPROVED BY EB/TEX:JJST.JOHN
COMMERCE - ADAUMAN
COMMERCE - DSHARK
COMMERCE - RLEVIN
EUR/RPE - RLAMANTIA
EUR/WE - BMCKINLEY
STR - MHATHAWAY
EB/TA - CJACOBINI
TREASURY - JSHELTON
-----118768 171447Z /43

R 170107Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY ROME
AMEMBASSY BRUSSELS
INFO USMISSION GENEVA
AMEMBASSY BELGRADE

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USEC FOR BRUSSELS, BELGRADE FOR TEXTILE DELEGATION

E.O. 11652: N/A

TAGS: EPAP, ETRD, IT, EEC

SUBJECT: TEXTILES/CUSTOMS/VALUATION AND GOI AUTOMATIC
-- IMPORT LICENSING SYSTEM

REF: (A) ROME 8854 (B) BRUSSELS 10769
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1. WE ARE DISTURBED BY CUSTOMS VALUATION PRACTICES
UNDERTAKEN BY GOI IN CONJUNCTION WITH AUTOMATIC IMPORT
LICENSING SYSTEM (AIL) AS PART OF ITALIAN CONTROL AND
SURVEILLANCE OF TEXTILE IMPORTS REPORTED REFTEL A. WE
UNDERSTAND COMMISSION'S RELUCTANCE TO BRING UP THIS
MATTER WITH ITALIANS AT THIS TIME FOR REASONS SET OUT

REF B. HOWEVER WE ARE NOT IN POSITION TO ACCEPT ANY
SIGNIFICANT IN MELIORATING BARRIERS WHICH ITALIANS
NECESSARY TO DEAL DIRECTLY WITH GOI. EMBASSY IS REQUESTED
TO RAISE US CONCERNS WITH GOI AT EARLY OPPORTUNITY.
EMBASSY SHOULD MAKE THE FOLLOWING POINTS.

2. A. WE ARE PARTICULARLY CONCERNED BY PRESENCE OF
REPRESENTATIVES OF ITALIAN TEXTILE INDUSTRY ON
COMMITTEE CHARGED WITH ESTABLISHING DUTIABLE VALUE OF
IMPORTED TEXTILES. THE INVOLVEMENT OF A TROUBLED
DOMESTIC INDUSTRY, OR ANY DOMESTIC INDUSTRY, IN THE
CUSTOMS VALUATION PROCESS HAS SIGNIFICANT POTENTIAL
FOR RESTRICTIVE TREATMENT OF IMPORTED GOODS. REPORTED
OVERVALUATION FOR DUTY ASSESSMENT (I.E., UPLIFTS) BY
10 TO 30 PERCENT OF TEXTILE IMPORTS FROM THE US
APPEARS TO CONFIRM OUR FEARS THAT INVOLVEMENT OF
ITALIAN INDUSTRY IN CUSTOMS VALUATION MAY HAVE INDEED
DISADVANTAGED US TEXTILE SHIPMENTS. AS A GENERAL MATTER
WE FIND SUCH INDUSTRY COLLABORATION IN THE DUTY
ASSESSMENT PROCESS HIGHLY IMPROPER.

B. THE VERY ACT OF UPLIFTING THE DUTIABLE VALUE IN A
TRANSACTION BETWEEN UNRELATED PARTIES WOULD APPEAR TO
BE IN CLEAR VIOLATION OF THE BRUSSELS DEFINITION OF
VALUE WHICH ITALY USES AS THE BASIS FOR ITS VALUATION
SYSTEM.

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C. THE EXISTENCE OF APPEAL MECHANISM AND PROVISIONS
PERMITTING RELEASE OF TEXTILE SHIPMENTS DOES LITTLE TO
MITIGATE US CONCERNS. SINCE RELEASE IS CONDITIONAL
UPON THE PAYMENT OF TEMPORARY DUTY OR DEPOSIT CALCULATED
ON BASIS OF HIGHEST RATE AT WHICH MERCHANDISE MAY BE
ASSESSED PENDING RESOLUTION OF APPEAL, POWERFUL DIS-
INCENTIVES STILL EXIST FOR ITALIAN IMPORTERS OF TEXTILE
PRODUCTS.

D. SHOULD THIS VALUATION PRACTICE NOT BE TERMINATED, WE
WOULD BE FORCED TO CONSIDER OUR ALTERNATIVES.

3. USEC PLEASE INFORM TRAN VAN THINH OF ABOVE. NEWSOM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, IMPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: VLEWIS:HM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780254-0125
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780647/aaaabood.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ec10c486-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
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Reference: 78 ROME 8854, 78 BRUSSELS 10769
Retention: 0
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Status: NATIVE
Subject: TEXTILES/CUSTOMS/VALUATION AND GOI AUTOMATIC -- IMPORT LICENSING SYSTEM
TAGS: EPAP, ETRD, IT, EEC
To: ROME BRUSSELS
Type: TE
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